

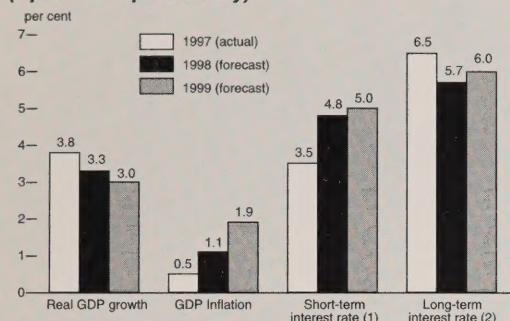
Government of Canada Securities

A Publication of the Department of Finance

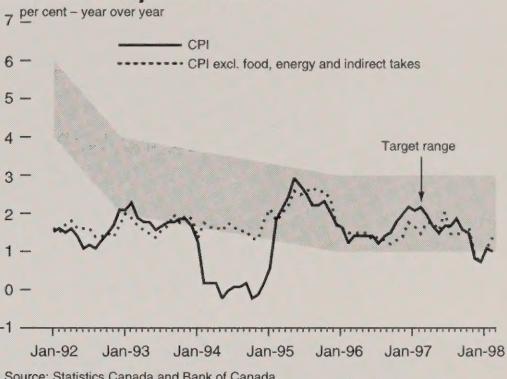
April 1998

Canadian Economy

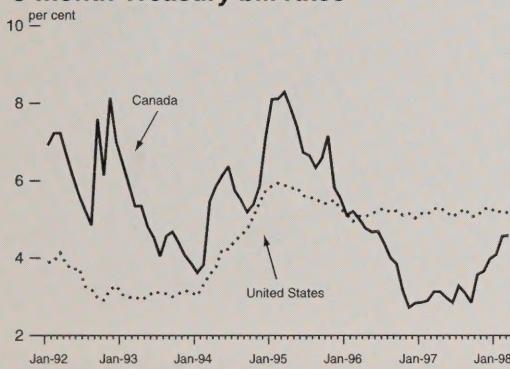
OECD economic forecast for Canada (April 1998 / preliminary)



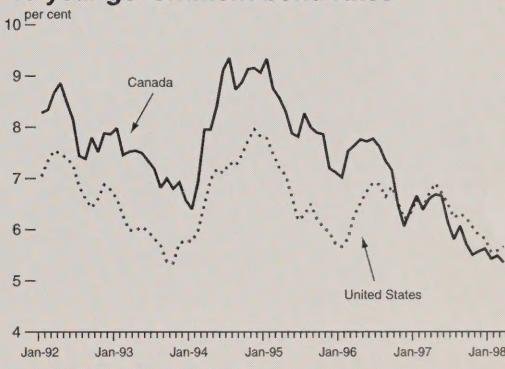
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

May

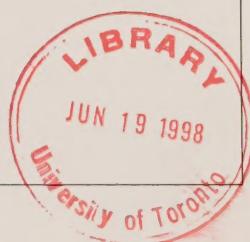
- April Labour Force Survey (May 8)
- April CPI (May 14)

June

- 1998 Q1 National Accounts (June 1)
- May Labour Force Survey (June 5)
- May CPI (June 19)

July

- June Labour Force Survey (July 10)
- June CPI (July 16)



Government of Canada Securities

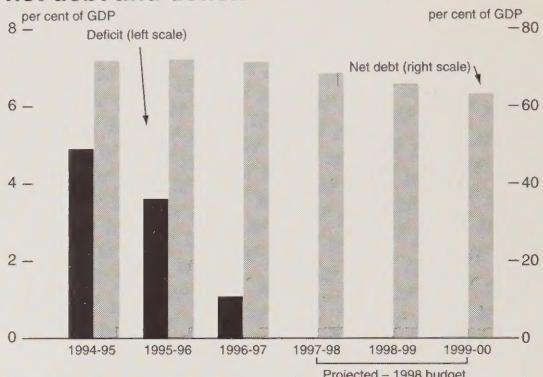
Canadian Economy

Selected Canadian economic statistics

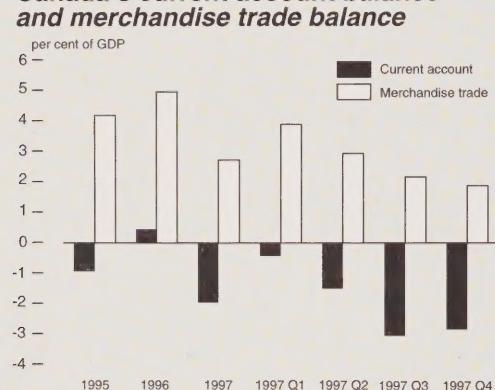
	1996	1997	Q1	Q2	Q3	Q4
Annualized growth rates						
Real gross domestic product	1.2	3.8	4.7	5.2	3.9	3.0
GDP excluding inventories	2.1	3.1	7.8	1.9	3.4	3.2
Final domestic demand	2.0	4.4	3.9	3.8	6.0	1.4
Employment	1.3	1.9	1.3	3.5	3.3	1.8
Other						
Unemployment rate	9.7	9.2	9.6	9.4	9.0	8.9
Current account balance (per cent of nominal GDP)	0.4	-2.0	-0.4	-1.5	-3.1	-2.9

Source: Statistics Canada.

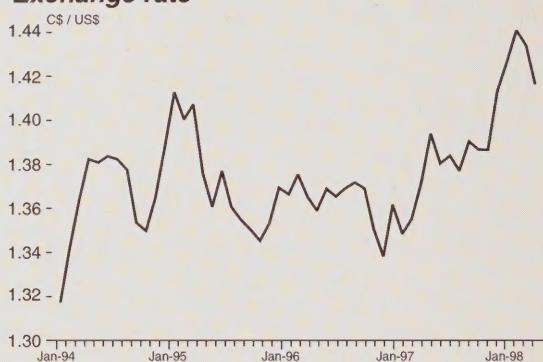
Government of Canada net debt and deficit



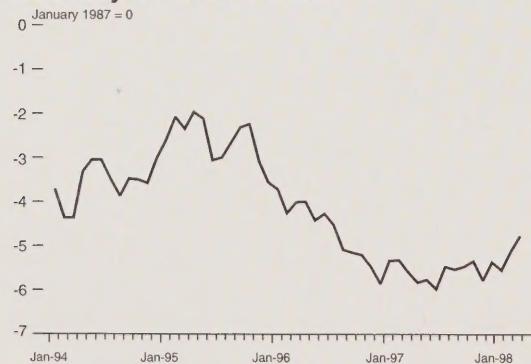
Canada's current account balance and merchandise trade balance



Exchange rate

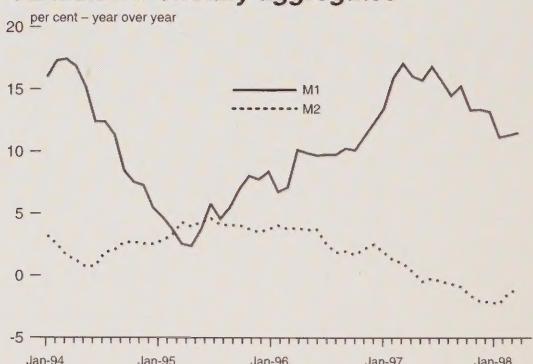


Monetary conditions index



Source: Bank of Canada.

Canadian monetary aggregates

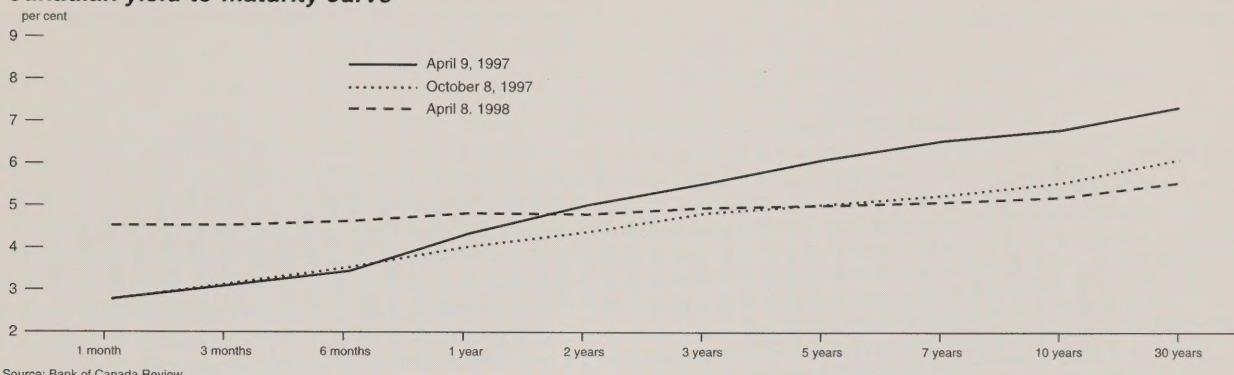


Source: Bank of Canada Review.

Government of Canada Securities

Secondary Market

Canadian yield-to-maturity curve

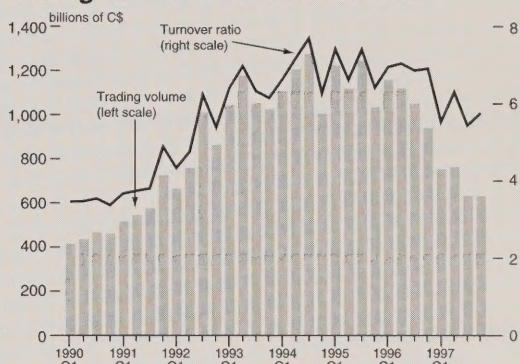


Government of Canada bonds trading volume and turnover ratio



Trading volume = total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



Trading volume = total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

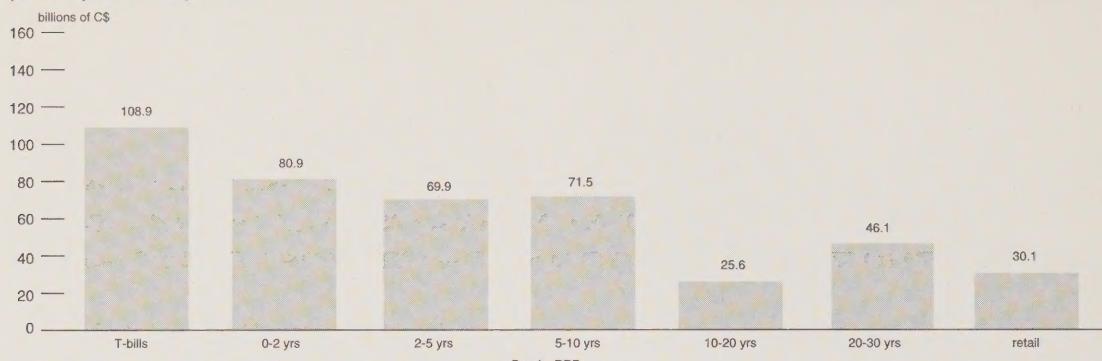
Primary Distributors

- Bank of America Canada
- Bank of Montreal (treasury bills only)
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- BLC Securities Inc.
- La Caisse centrale Desjardins
- Canadian Imperial Bank of Commerce (treasury bills only)
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- Deutsche Morgan Grenfell Limited
- Golden Capital Securities Limited
- Goldman Sachs Canada
- Hongkong Bank of Canada
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- Société Générale Valeurs Mobilières Inc.
- Tassé & Associates, Limited
- The Toronto-Dominion Bank
- Whalen, Béliveau & Associates Inc.

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of April 8, 1998)



Source: Department of Finance.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(millions of dollars)		(%)		(basis points)
Jan 28/98	30	Jun 1/29	5.75	1,200	99.81	5.76	2.30	2.6
Feb 11/98	10	Jun 1/08	6.00	2,300	103.93	5.49	2.21	0.9
Feb 18/98	5	Sep 1/03	5.25	2,400	99.9	5.27	2.50	0.4
Mar 4/98	30	Dec 1/26	4.25*	400	100.82	4.20	1.97	n.a.
Mar 11/98	2	Mar 15/00	5.00	3,500	100.06	4.97	2.45	0.4

Coverage is defined as the ratio of total bids at auction to the amount auctioned.

Tail is defined as the high accepted yield minus the average yield.

*Real Return Bonds.

Source: Department of Finance.

Forthcoming Government of Canada bond auctions

Type of issue	Auction date (1998)	Further details of issue (1998)	Dated and delivered (1998)	Amount maturing
(millions of dollars)				
30-year auction	April 22	April 16	May 1	--
10-year auction	May 6	April 30	May 15	--
5-year auction	May 27	May 21	June 1	--
RRB auction*	June 3	May 28	June 8	--
2-year auction	June 10	June 4	June 15	--

*Single-price auction format.

Government of Canada Securities

Primary Market

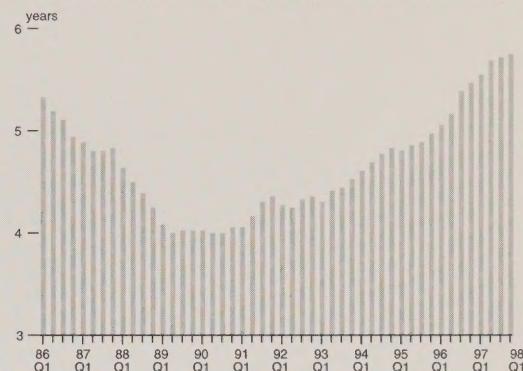
Government of Canada bond market benchmarks (April 8, 1998)

Term	Maturity	Coupon	Amount outstanding (millions of dollars)	Yield Apr. 08/98
		(%)		(%)
Fixed coupon				
2-year	Mar 15/00	5.00	7,000	4.82
5-year	Sep 1/02	5.50	10,200	5.04
10-year	Jun 1/08	6.00	6,900	5.25
30-year	Jun 1/27	8.00	9,600	5.59
Real return				
30-year	Dec 1/26	4.25	4,050	3.95

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada Review.

Forthcoming Government of Canada marketable bond maturities

April-June 1998	July-September 1998	October-December 1998	January-March 1999	April-June 1999
(millions of dollars)				
0	12,800	10,475	12,700	0

Outstanding Government of Canada / Foreign-currency debt (as of March 31, 1998)

	(millions)
Canada Bills	US\$6,590
Canada Notes	US\$1,173
Outstanding under EMTN program	US\$1,064
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	US\$2,000
6 1/2% US\$ bonds maturing May 30, 2000	US\$1,500
6 1/2% US\$ bonds maturing May 30, 2001	US\$1,000
6 1/8% US\$ bonds maturing July 15, 2002	US\$1,000
5 5/8% US\$ bonds maturing February 19, 2003	US\$2,000
6 3/8% US\$ bonds maturing July 21, 2005	US\$1,500
6 3/4% US\$ bonds maturing August 28, 2006	US\$1,000
6 5/8% NZ\$ bonds maturing October 3, 2007	US\$319

Source: Department of Finance.

Canada's level of liquid foreign reserves

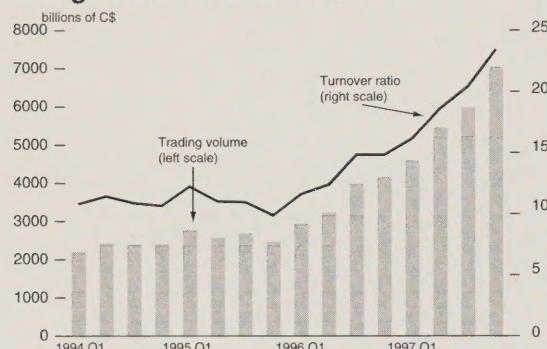


Source: Bank of Canada Review.

Government of Canada Securities

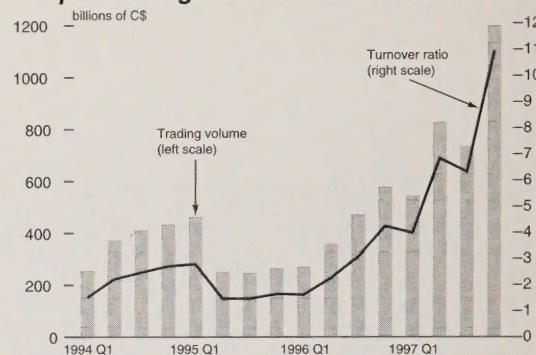
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



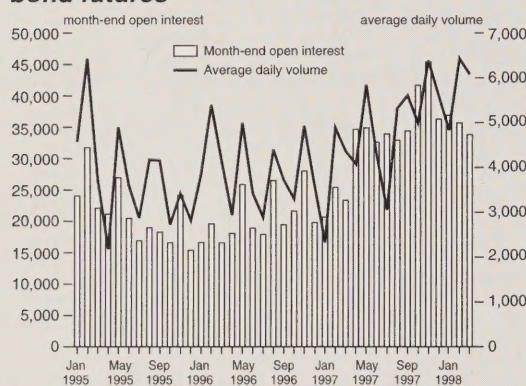
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Treasury bill repos trading volume and turnover ratio



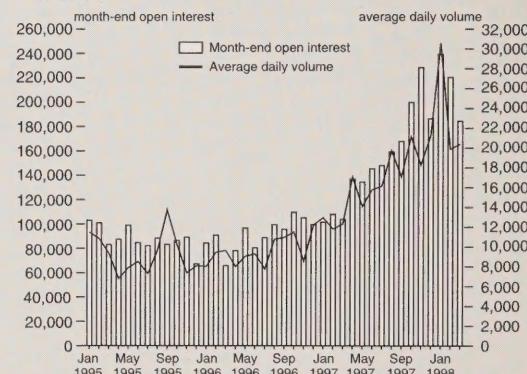
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings (as of April 15, 1998)

	Standard and Poor's Current	Moody's Investor Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
Domestic Debt				
- Trend	AAA Stable	Aa1	AA+ Stable	AAA Stable
Foreign Debt				
- Trend	AA+ Stable	Aa2	AA+ Stable	AA(high) Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>

Except as noted, the information in **Government of Canada Securities** is based upon data available as of March 31, 1998.

For further information, contact either Sandra Lavoratore (613) 947-3919 or Nigel Stephens (613) 943-1944.

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